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March 28, 1983

Letter Report P-262

Honorable Art Agnos
Chairman, and Members of the
Joint Legislative Audit Committee
State Capitol, Room 3151
Sacramento, California 95814

Dear Mr. Chairman and Members:

We have reviewed selected provisions of collective bargaining agreements at ten California school districts. The objective of this review was to evaluate several contractual provisions between the school districts and the teachers' unions. Specifically, we reviewed the provisions relating to the length of the school day, class size, evaluating teacher performance, and salary increases for the 1982-83 school year. We also identified the role that the school districts' boards of education play in negotiations with their teachers' unions.

Our review of ten school districts disclosed that over the past 10 years, two of these school districts reduced the length of the student instructional day, one school district increased the instructional day, and seven school districts made no changes. Additionally, six of the districts experienced changes in the teachers' workday. Also, in comparing current agreements to those previously in effect, we found that provisions for class size have changed at only two districts and that provisions for the evaluation of teacher performance remain unchanged in all ten districts. Further, for the 1982-83 school year, six of the school districts provided teachers with salary increases ranging from 2 to 7.5 percent. Three of the remaining districts have not yet completed negotiations, and one district settled without providing salary increases to employees. Lastly, in nine of the ten school districts, the boards of education delegate the direct responsibility for negotiating with district employees either to teams of district administrators or to outside consultants.

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BACKGROUND

Chapter 961, Statutes of 1975, established new procedures governing the relationship between public school districts and their employees. This law provides public school employees the right to join and be represented by organizations of their choice for the purpose of negotiating with school district management on matters related to wages, hours, and terms and conditions of employment. Terms and conditions of employment include health and welfare benefits, leave, transfer and reassignment policies, class size, performance evaluation, and grievance procedures. The law specifies that binding agreements between school districts and district employees be limited to no more than three years.

Each of the ten school districts that we reviewed bargains with several employee unions, and in nine of the ten districts, the teachers' union is the largest union. Every school district in California is under the control of a board of education or board of trustees.

SCOPE AND METHODOLOGY

This review responds to a request for an analysis of selected provisions of collective bargaining agreements in public school districts. In conducting this analysis, we reviewed the collective bargaining agreements negotiated between school districts and teachers in ten school districts. We also identified the role played by the ten districts' boards of education in the collective bargaining process. The ten school districts included in our sample are presented on the following page in Table 1.

TABLE 1

TEN SAMPLE SCHOOL DISTRICTS
ENROLLMENT DURING 1981-82 SCHOOL YEAR^a

<u>School District</u>	<u>Enrollment</u>
Los Angeles Unified	540,900
San Diego Unified	110,900
San Francisco Unified	59,900
Fresno Unified	47,500
San Juan Unified	44,200
Mount Diablo Unified	32,900
Fremont Unified	25,200
Huntington Beach Union High	19,100
New Haven Unified	9,200
Paradise Unified	<u>3,700</u>
Total	<u>893,500</u>

^a Source: School district representatives.

In selecting districts for this review, we included large and small school districts in both urban and suburban areas. These school districts represent approximately 22 percent of the total state public school enrollment in grades K through 12.

At each of the ten districts, we examined district records and interviewed district personnel involved with collective bargaining. We focused on four contract provisions: length of school day, class size, procedures for evaluating teacher performance, and teachers' salaries. Further, we compared current agreements to those in effect previously to identify any changes that occurred in the first three provisions, and we determined whether teachers received salary increases for the 1982-83 school year. If changes in these contract provisions caused either an increase or a decrease in the cost of operating the district, we identified estimates of such costs. Finally, we reviewed the role that each district's board of education plays in bargaining and determined whether the board of education is actively involved in the bargaining process or leaves the bargaining to district administrators or outside consultants.

ANALYSIS

In the following sections, we discuss specific provisions of the collective bargaining agreements for teachers in ten California school districts. This discussion involves an analysis of several provisions of teacher contracts, including provisions covering the length of the school day, class size, evaluating teacher performance, and salary increases for the 1982-83 school year. The last section discusses the involvement of the ten school districts' boards of education during collective bargaining between school district management and employee unions.

Length of School Day

Our discussion of changes in the school day that have occurred over the past ten years distinguishes between the student instructional day and the teacher work day. The student instructional day is simply the amount of time that students spend in class. The teacher work day, which is longer than the student instructional day, includes the amount of time that teachers spend in class, as well as time devoted to performing nonclassroom duties and time spent preparing for class.

The Education Code specifies the minimum instructional day that school districts must provide to students. The minimum instructional day is 180 minutes for single session kindergarten, 230 minutes for grades 1 through 3, and 240 minutes for grades 4 through 12. Each of the ten districts in our review meets or exceeds the minimum day requirements. Table 2 below provides the length of the student instructional day for the various grade levels in the ten districts.

TABLE 2
LENGTH OF STUDENT INSTRUCTIONAL DAY
IN TEN CALIFORNIA SCHOOL DISTRICTS
(Actual or Range)

<u>Grade</u>	<u>Length of School Day</u>	<u>Minimum Day Specified in the Education Code</u>
K	180 minutes	180 minutes
1-3	230-280 minutes	230 minutes
4-12	240-366 minutes	240 minutes

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Over the past ten years, three districts have experienced some change in the student instructional day. These changes have occurred in grades 9 through 12. To cut district costs, Fremont and Los Angeles unified school districts reduced the instructional day by 50 minutes for students in secondary grades by reducing the number of class periods from six to five. Huntington Beach Union High School District, on the other hand, increased the length of its instructional day by adding 5 minutes to each class period.

More districts have experienced changes in the teacher work day than in the student instructional day over the past ten years. Six of the ten sample districts, including two of the three districts that experienced changes in the student instructional day, have changed the teacher work day. Changes have occurred in both the composition and the length of the teacher work day. In addition to the time that teachers spend in class, teachers may also devote time to performing nonclassroom duties and preparing for class. Nonclassroom duties include instructional planning; conferring with pupils, parents, and administrators; supervising student activities; and attending faculty, departmental, grade level, and other necessary meetings. Some districts require that teachers arrive at school a specified period of time before the instructional day and remain a specified period beyond the instructional day. During this time, teachers may be assigned to nonclassroom duties.

At all ten of the school districts, the work day of many teachers also includes a block of time that is referred to as a "preparation period." Secondary school teachers often have one preparation period per day. Elementary school teachers in some school districts also have preparation time. Preparation time can be used for preparing lessons, meeting with parents and students, and performing other instruction-related activities. Of the six districts that have changed the teacher work day, three districts--New Haven, Paradise, and Fremont unified school districts--have granted preparation time to more of their teachers. At New Haven, teachers in grades 1 through 4 gained 100 minutes of preparation time per week. To cover classes while these teachers take their preparation time, the district hired six additional teachers. At Paradise, teachers in grades 7 and 8 now teach five periods and have one preparation period; previously, teachers taught six periods. This practice began in 1978 when, during collective bargaining

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negotiations, Paradise teachers accepted a reduced salary increase in exchange for the reduced teaching load. Finally, Fremont elementary teachers receive 90 minutes of preparation time each week.

At the remaining three districts, teachers may actually work from 30 minutes to 60 minutes less than they did ten years ago. At San Juan, the collective bargaining agreement no longer requires teachers to remain on site for 30 minutes after the conclusion of the instructional day. Instead, the agreement states that teachers may leave after the instructional day except when "meeting the needs of students or parents." With the first contract under the current law, the work day for Huntington Beach teachers was reduced by 30 minutes; Huntington Beach teachers are now on site for 7.5 hours. Finally, before collective bargaining, Fresno teachers were expected to be on campus eight hours per day; they may now be on campus for seven hours.

Class Size Provisions

Class size is described in the collective bargaining agreements in various ways; it may be based on class-size goals, maximum or average class size, and ratios of students to teachers. The class size may also vary according to the grade level and the subject matter of the class. The collective bargaining agreement for the San Juan Unified School District limits class size by specifying class size maximums by grade level. For example, in kindergarten, the maximum class size is 32; in grades 1 through 3, maximum class size is 31; in grades 4 through 6, maximum class size is 34; in grades 7 and 8, maximum class size is 35; and in grades 9 through 12, maximum class size is 36. The agreement in the Fresno Unified School District designates class size based on teacher-to-pupil ratios: one teacher for every 30 students in kindergarten; one teacher for every 28 students in grades 1 through 6; one teacher for every 27 students in grades 7 through 9; and one teacher for every 29 students in grades 10 through 12.

In conducting our review of class size provisions, we compared the current collective bargaining agreement with the previous agreement at each school district and found that class size provisions have changed in two of our sample school districts--

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Los Angeles and San Diego. Specifically, Los Angeles increased the ratio of students to teachers by one student in grade levels K through 6 and increased average class size in grade levels 7 through 12. However, members of the district's bargaining team indicated that these changes were not directly the result of negotiations, but resulted from the necessity to cut expenditures. During the bargaining session, the teachers' organization accepted increases in class size. According to district officials, the potential cost savings of a one-student increase in the class size of grades K through 12 during the 1981-82 school year would have been approximately \$11 million. However, district officials stated that Los Angeles has not realized all of these savings because of a 1978 court order that reduced class sizes for academic subjects in grades 4 through 8 at certain schools. Thus, part of the savings attributable to the increased class size has been offset by the reduced class sizes in certain schools within the district.

San Diego Unified School District obtained class size concessions from teachers in exchange for a 5 percent general salary increase for each of the two academic years, 1981-82 and 1982-83. These class size concessions saved the district the equivalent of about 90 teaching positions. By not filling the 90 positions, the district saved an estimated \$2.1 million in salary costs in the 1981-82 school year, excluding fringe benefits. For school year 1981-82, the salary increase for teachers cost the district approximately \$11 million.

While class size provisions have not generally changed between the previous and the current collective bargaining agreements in the San Francisco Unified School District, class sizes have increased. While negotiating the 1981-83 agreement, the district and the teachers addressed the issue of class size increases. As a result, both parties agreed on a provision allowing teachers to be paid an annual stipend of \$100 for each student in excess of two students over the class size designated in the agreement. The school district believes that this provision will be less costly than hiring additional teachers to cover the increased number of students.

Evaluation of Teacher Performance

Sections 44660 through 44665 of the Education Code require an evaluation of the performance of all certificated personnel within each school district. The purpose of this requirement

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is to establish a uniform system of evaluating teacher performance. A teacher's performance will be evaluated according to students' progress toward established standards, the teacher's performance of noninstructional duties, and the teacher's maintenance of a proper and suitable learning environment. In general, certificated personnel on probationary status are evaluated once each school year, while those on permanent status are evaluated once every two years.

In the collective bargaining agreements for the ten districts in our sample, the provisions for evaluating teacher performance are consistent with existing law. Further, in comparing current agreements to those previously in effect, we found no substantial changes in any of the ten districts. The only changes made have been the addition of specific procedures to ensure the timeliness of evaluations.

For nine of the ten school districts, a teacher's salary increase is based on the teacher's years of service to the district and the amount of college course work completed. Only one of the ten districts that we visited currently has a procedure correlating teachers' salary increases with teachers' performance evaluations. In order for a teacher to advance on the salary schedule in Paradise Unified School District, the teacher must receive a satisfactory evaluation. However, if a teacher receives an unsatisfactory performance evaluation, that teacher's salary is frozen, and the teacher does not advance on the salary schedule. If that teacher performs satisfactorily for a period of three consecutive years, the teacher will gain the salary steps lost because of the unsatisfactory evaluation. Since Paradise implemented this procedure in 1976, 13 teachers have received unsatisfactory performance evaluations. Two of these teachers' salaries were frozen. One teacher eventually gained the lost salary steps, and the other teacher was eventually dismissed. The remaining 11 teachers voluntarily resigned before their salaries were actually frozen.

General Salary Increase

Six of the ten districts that we reviewed provided general salary increases to teachers for the 1982-83 school year. These increases ranged from 2 percent in Paradise Unified School District to 7.5 percent in San Francisco Unified School District.

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Three of the remaining four districts have not yet reached a salary settlement for 1982-83. At the time of our review, negotiations between the Los Angeles Unified School District and the United Teachers of Los Angeles were at an impasse; a mediator had been appointed to attempt to reconcile the difference between the district and the teachers. During the time of our review, negotiations were still underway between the districts and the teachers in the Mount Diablo and Fresno unified school districts. The San Juan Unified School District settled on an agreement that contains no salary increase for 1982-83. However, the district will cover the increased cost of the teachers' fringe benefit program.

Only one of the six districts that gave salary increases in 1982-83 was able to balance its budget without some reduction in the number of district employees. Paradise Unified School District is covering the cost of a general salary increase for district employees by drawing from its reserves for contingencies. In 1982-83, Paradise budgeted a reserve for contingencies of about \$300,000, 4 percent of the district's total budget. The district will use about half of this reserve, \$148,000, to fund a 2 percent general salary increase for district employees. When the current employee agreements were originally negotiated in 1980, the district agreed to grant employees an 8 percent increase for 1982-83. However, when the district learned that the State was not going to increase its appropriation to the school district, the district reopened contract negotiations with district teachers. These negotiations resulted in the teachers' accepting a reduction in their scheduled salary increase from 8 percent to 2 percent.

The other five districts provided salary increases by reducing other district expenditures. These districts reduced staff, drew from reserves, or reduced outlays for capital construction, maintenance, and utilities. For example, San Diego Unified School District reduced the number of teachers, counselors, classroom aides, custodial and maintenance workers, and district headquarters staff. San Francisco Unified School District did not increase the level of its certificated staff even though class sizes increased. Custodial and clerical staff positions were reduced through attrition. In addition to reducing staff, the Fremont Unified School District is reducing its reserve for contingencies from 2 percent to less than 1 percent of its total budget.

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In the New Haven Unified School District, teachers received a 6 percent salary increase. The district is funding this raise through various reductions, such as eliminating certain custodial and clerical positions, reducing authorized overtime, and eliminating capital outlay.

According to district officials, the Huntington Beach Union High School District was able to fund a 6 percent salary increase for employees because the district began its 1982-83 academic year with a beginning balance of about \$5 million, which is over 10 percent of the district's total 1982-83 budget. With this beginning balance, the district was able to cover the 6 percent salary increase for all employees, which will cost the district \$2.22 million in 1982-83. Huntington Beach generated the \$5 million 1982-83 beginning balance through a series of expenditure reductions and revenue increases achieved during the 1981-82 school year. For example, the district eliminated guidance counselors at the district's high schools, saving the district about \$675,000. Also, teachers did not spend all of the funds budgeted for equipment and supplies, which saved the district about \$164,000. Further, the district earned more interest on invested funds than anticipated, resulting in revenue of \$3.2 million. Lastly, the district received about \$400,000 more in state reimbursement for mandated costs than originally projected.

Role of the Board of Education in Labor Negotiations

We found that members of the board of education participate in bargaining sessions in only one of the ten districts we visited. At Paradise Unified School District, two members of the board of education are members of the district's negotiating team. In general, these board members do not initiate any discussion while in a negotiating session. But at the completion of each negotiating session, they meet in a closed session with the superintendent to discuss bargaining issues.

In the other nine school districts, board members do not participate in negotiating sessions. Instead, district administrators or outside consultants who act as negotiators brief the board members in closed sessions during or after

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negotiations. Typically, board members will establish broad parameters or set priorities, which are presented to the district's negotiating team. On major issues, such as salary increases or changes in class size, the negotiating team will consult with the board of education and obtain its approval before exceeding certain limits.

CONCLUSION

Over the past 10 years, two of the ten school districts that we visited reduced and one school district increased the student instructional day. In addition, six of the ten districts, including two of the three districts that experienced changes in the student instructional day, have experienced changes in the teacher work day. In comparing current bargaining agreements to those previously in effect, we found that current provisions allow for increased average class sizes in two districts. Also, provisions outlining the evaluation of teacher performance generally remain unchanged in all ten school districts. Furthermore, six of the ten districts provided general salary increases to teachers in the 1982-83 school year; these increases range from 2 to 7.5 percent. Three of the districts have not yet completed negotiations, and one district settled without providing salary increases to employees. We also found that in all but one of the ten school districts, the boards of education delegate direct responsibility for negotiating with district employees either to a team of district administrators or to an outside consultant.

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We conducted this audit under the authority vested in the Auditor General by Section 10500 et seq. of the California Government Code and according to generally accepted government auditing standards. We limited our review to those areas specifically contained in the audit request.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Staff: Thomas A. Britting, Audit Manager
Steven M. Hendrickson
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Attachment: Response to the Auditor General's Report
Department of Education



STATE OF CALIFORNIA
DEPARTMENT OF EDUCATION

STATE EDUCATION BUILDING, 721 CAPITOL MALL, SACRAMENTO, CA 95814

March 24, 1983

Mr. Thomas W. Hayes
Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

LETTER REPORT P-262

Dear Mr. Hayes:

Thank you for the opportunity to comment upon the draft copy of your report entitled "Collective Bargaining".

Although the report contains no recommendations, it does provide us with valuable information on several areas that could be investigated further to provide guidance to both State and local administrators as we work together to improve education in our public schools while, at the same time, improving administrative efficiency.

We are particularly concerned with the frequency with which we learn of districts with serious financial problems. The report suggests some areas of investigation that may assist us in spotting problems before they are critical, and in guiding districts toward assessment of the future that can help them avoid some of the pitfalls that others have encountered.

We will be happy to cooperate with you and your staff in any such investigation.

Sincerely,

A handwritten signature in cursive script, reading "Gilb Marguth", is written over the typed name.

Gilbert R. Marguth, Jr.
Deputy Superintendent for Administration
(916) 445-8950

GRM:ds

cc: Sam Johnson
Ernie Lehr